AR11

MOLSON'S – 1961

Dec 28/61

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"...my principal objective is to bring the quality of my brew to perfection."

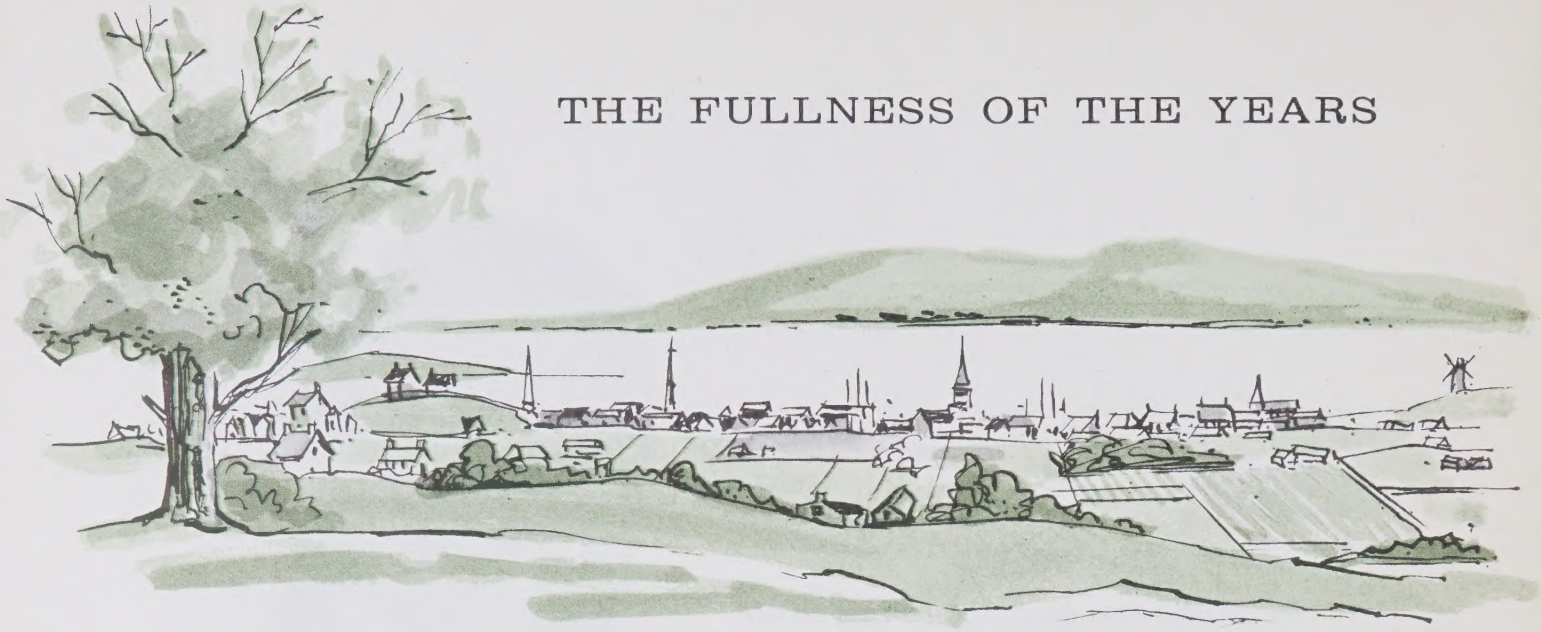


The above statement of purpose was made by John Molson shortly after he had founded his Brewery 175 years ago. It is as fitting today as it was then for we continue steadily to direct our aspirations and endeavours towards the highest peak of achievement in the production and marketing of brewery products. A tangible implementation of these aims has taken place in the last two years when Molson's Brewery Limited, heretofore operating in Montreal and Toronto, assumed national status by expanding its operations to include six prosperous breweries located in key cities in Western Canada. The principal purpose of this brochure is to provide information concerning all the Molson breweries and their brands across the country and to indicate the significant role played by the Company's operations in the economic life of Canada. It is our earnest hope that this information will not only prove of interest but that it will also afford you a sense of pride and satisfaction in the growth and progress of an entirely Canadian company.

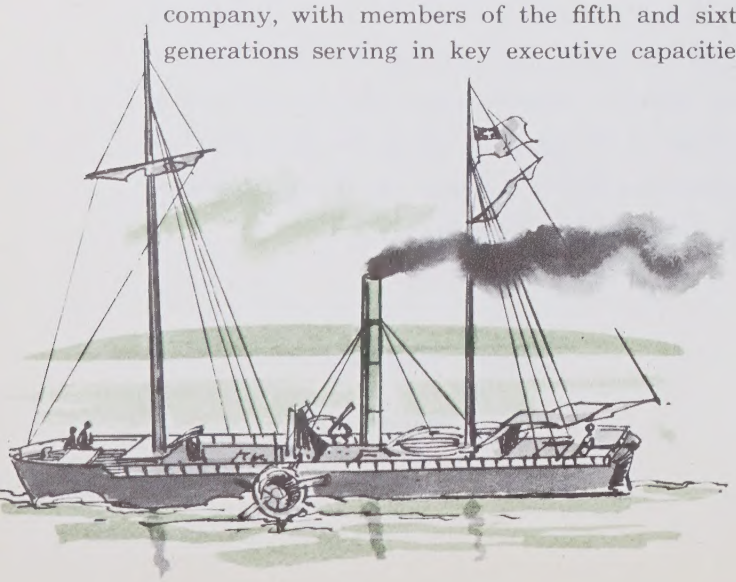
Chairman of the Board

President

THE FULLNESS OF THE YEARS



WERE John Molson, founder of Molson's Brewery Limited, to take on mortal form today and gaze at the Montreal he loved so well, he would be amazed indeed at the $500,000,000 St. Lawrence Seaway, the towering skyscrapers built and under construction, the ceaseless roar of traffic, and the daily activities of almost 2,000,000 people. But there would be one thing, perhaps, which would in his eyes make up for the terrifying vastness of this new world. Gazing eastward, along the river from just below St. Mary's Current, he would find comfort, for there, exactly where he had founded it 175 years ago, is his brewery; not the small brewhouse he had known, granted, but a great complex of inter-connected and integrated buildings capable of producing more beer than any other one brewery in Canada. And of further reassurance to him would be the knowledge that his own family is still directing the affairs of the company, with members of the fifth and sixth generations serving in key executive capacities.

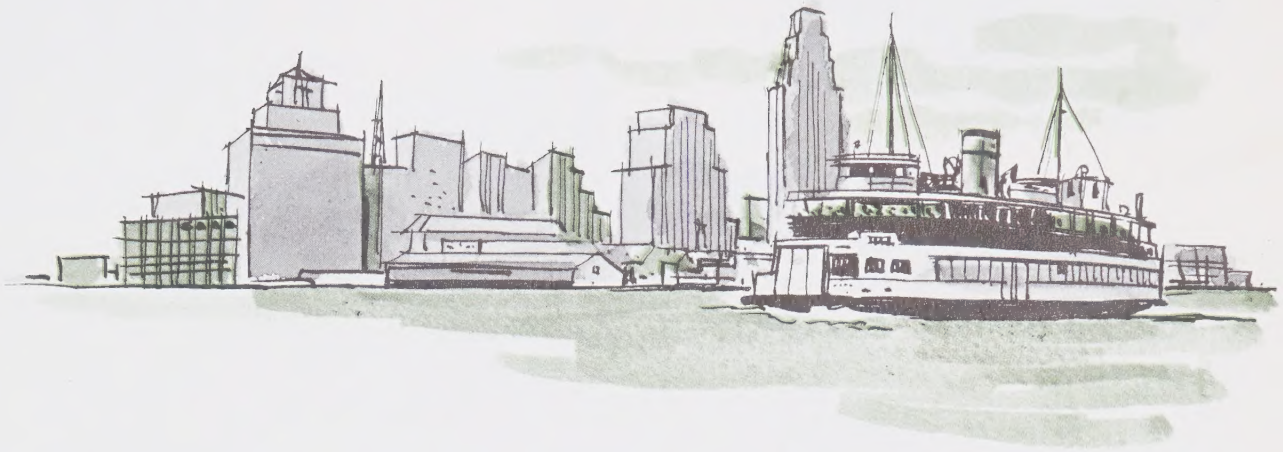


The story of Molson's Brewery is the story of a truly Canadian company having its early beginnings in Quebec. No tapestry of la Belle Province would be complete unless woven into

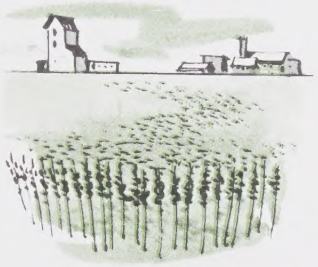


it where the bright threads of Molson activities born of the founding in 1786 of a brewery and a tradition. It is not the intention here to tell that story. But it is of interest to skip quickly over the years and touch on one or two of the highlights. The John Molson of 1786 obviously was a man of initiative and vision, as the progress of his brewery and his manifold other activities proved. It was he, for example, who in 1809 gave Canada its first steamboat, the Accommodation, and followed this with bigger and better boats



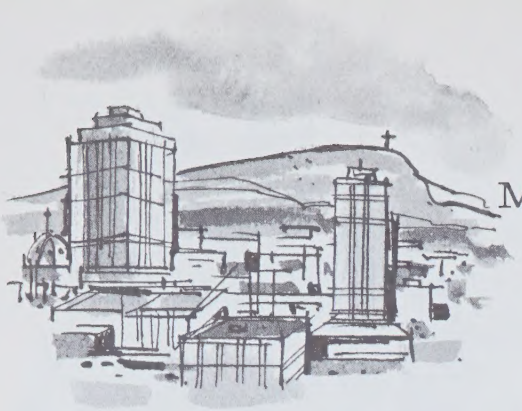


to demonstrate the future possibilities of navigation on the St. Lawrence. He initiated other ventures, including Canada's first railroad and Montreal's first real home of the arts — the Theatre Royal. His descendents, following in his footsteps, opened Molson's Bank in 1837 and, among other things participated in the development of universities and hospitals and helped to bring gaslight to Montreal's streets. The family's versatility of enterprise is picturesquely summed up in *Montreal, Seaport and City*, a chronicle of the commercial metropolis of the St. Lawrence written by Stephen Leacock: "the name of Molson... echoes down the history of the City in the throb of the steamship, the tinkle of the bank tellers' coins, the whisper of the college library, and the roar of the college stadium." The twin characteristics of initiative and vision were inherited by John Molson's descendents. In 1907, Molson's Brewery celebrated the first million-gallon year in its history. In 1922 and again in 1929 substantial additions were made to the Montreal brewery. Following the War, from 1947 an almost continuous building program was carried on tripling the Montreal plant's productive capacity in less than six years. In 1955, a large ultra-modern plant was opened in Toronto, giving Molson's growing Ontario market its own source of supply. The most recent expression of initiative was the company's expansion since 1958 into four other provinces, giving it truly national status. Thus from what was primarily a one-man business has evolved an enterprise giving employment to almost 2,500 Canadians, and making a valuable contribution to the economy. To complement its international reputation for fine ales, and in recognition of changing public taste, Molson's introduced in 1959 the new, light-bodied brew, Molson's Canadian Lager Beer. It won instantaneous public approval. It is fitting on special anniversaries such as this to recall the past and to regard with affection and some nostalgia the vanished years. Growth, progress and public interest have been close companions to Molson's Brewery in its 175 years of living, and, as old and trusted friends they will accompany the Molson enterprise into a brightly beckoning future.



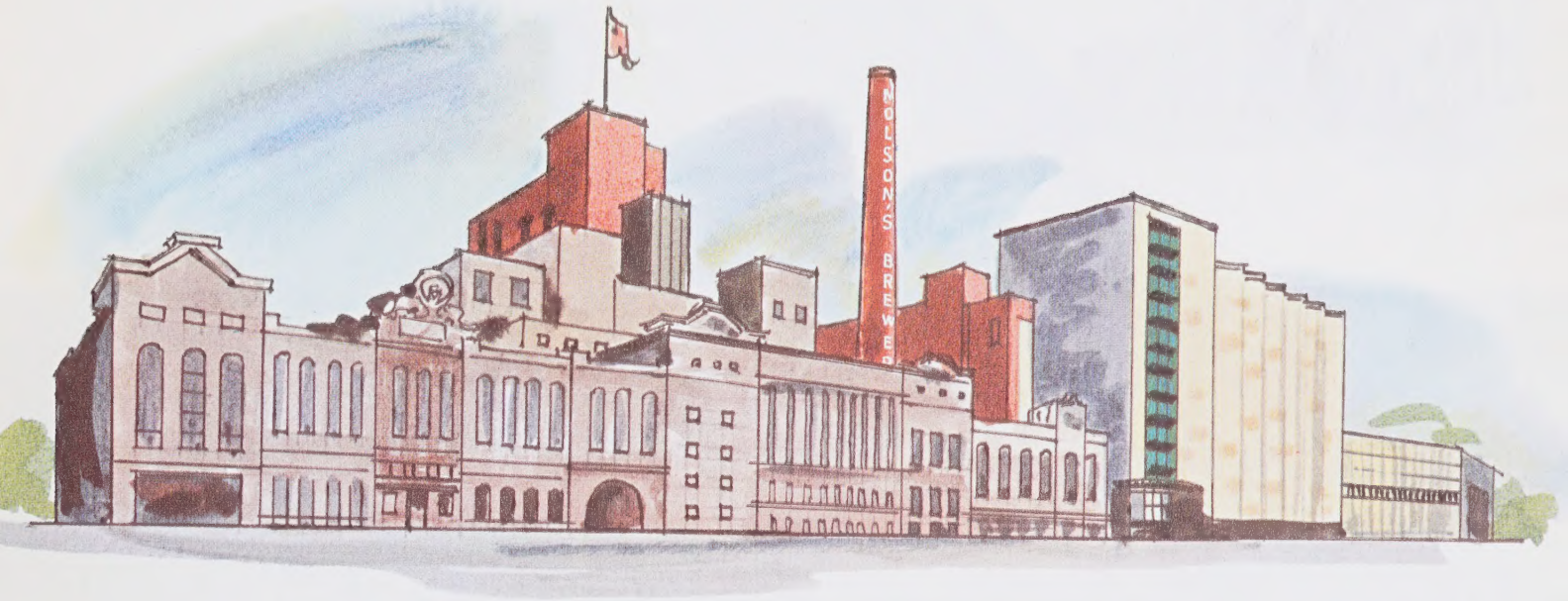






MOLSON'S BREWERY LIMITED, MONTREAL

At the brewery's modern laboratory in Montreal, skilled chemists keep a careful watch over the renowned quality of Molson's brands



The vital, pioneer spirit of 18th century Montreal spawned a multitude of business ventures of which only three exist today: a newspaper, a merchant-tailoring firm and Molson's Brewery Limited. And of these, only Molson's continues to have members of the founder's family in its management.This is the remarkable record which began in 1786 when young John Molson established his small log brewery close to the St. Lawrence River and one half-mile outside the East gate of the massive fortified walls which surrounded the settlement. His initiative and vision were not misplaced. Montreal and Molson's have grown and prospered. The little 90-acre settlement has become the Metropolis of Canada, with a population of just under 2,000,000. The tiny brewhouse has become the largest single brewery in Canada and among the half-dozen largest in the world. The Montreal plant, head office for the overall Canadian organization, gives year 'round employment to 1517 people and the thirty independent Molson Quebec agents employ an additional 260 personnel. Capacity has risen from four hogsheads weekly in those first days to 1,900,000 barrels annually, and from the Montreal warehouse, Molson products are shipped throughout the world. The brewery's location has never changed, and mirrored in the swift waters of the adjacent St. Lawrence is its history — 175 years of progress and achievement.

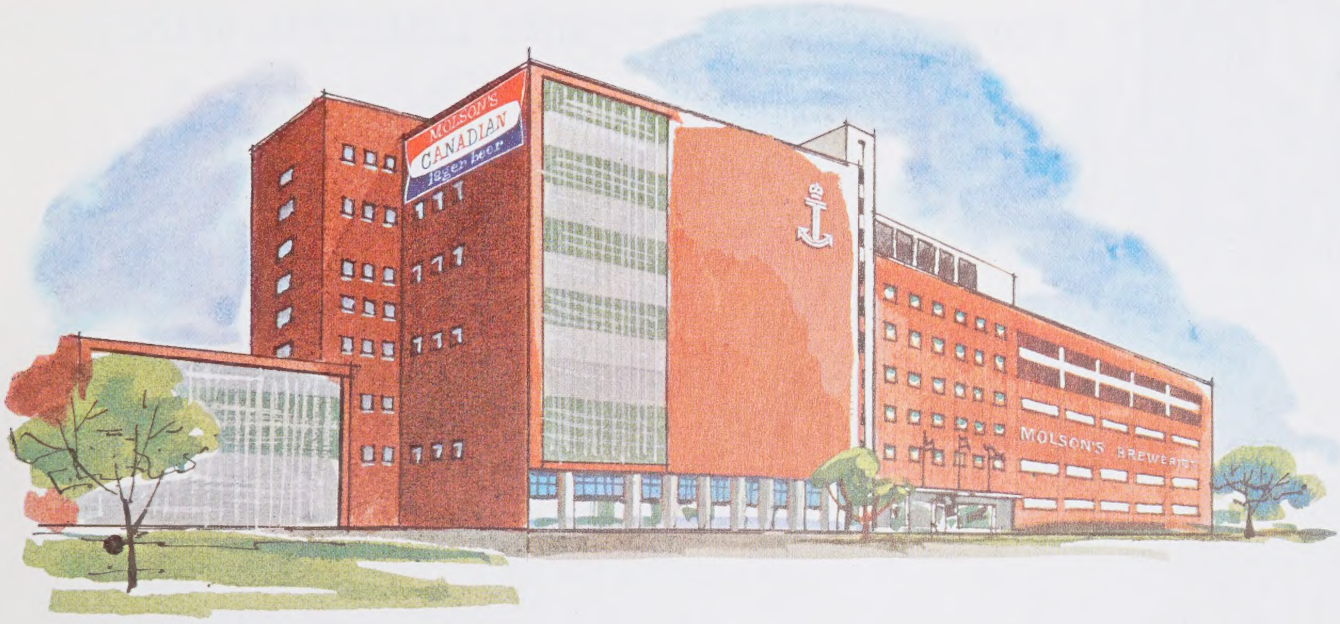


Montreal brands include Molson's Export Ale, Golden Ale and Molson's Canadian Lager Beer.



MOLSON'S BREWERY (ONTARIO) LIMITED, TORONTO

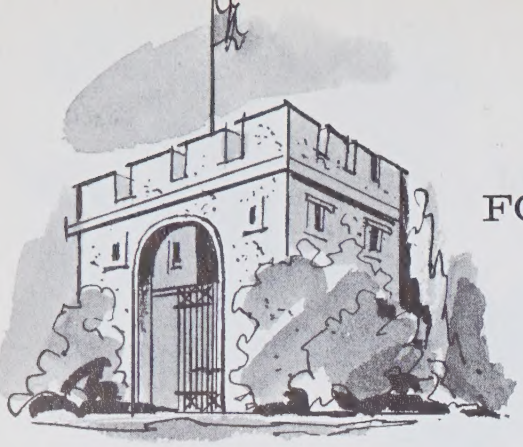
An experienced Kettleman checks the clarity of a wort sample from the huge copper brew kettle



You can take your choice of the exact meaning of the Huron Indian name "Toronto" from these picturesque translations: "Place of meeting", "Trees in the water", "Lake opening" and "Between the lakes". But if there is uncertainty on this point there definitely is none on the Queen City's amazing achievements and progress since its incorporation in 1834. It was in 1955 in this bustling, thriving city that Molson's completed Canada's newest and most modern brewery, replacing the sales office through which its brands had previously been marketed. The beautiful streamlined building — a radical departure from the usual brewery style — is admired daily by thousands of motorists on Toronto's picturesque lakeshore boulevard and by the countless others who daily visit the nearby Canadian National Exhibition Grounds. With a capacity of more than 500,000 barrels per year and a staff of some 340, the brewery is capably serving the market throughout Ontario. Its establishment marked Molson's first major venture outside of Quebec in its modern expansion program which has since spread to include breweries in six of the ten provinces. With economic growth in Ontario the highest in Canada, the future expansion of the plant has not been overlooked. To provide for the already planned increases in production, the brewery has acquired a large tract of land adjoining to the east.



Molson's Export Ale, Golden Ale, Stock Ale, Cream Porter and Molson's Canadian Lager Beer are all produced in the Toronto plant.



FORT GARRY BREWERY LIMITED, WINNIPEG

Shown are (from foreground) the stainless steel cooker, mash tub and copper brew kettle in the Winnipeg Brew House



In the early 19th century the Red River Settlement, now known as Winnipeg, depended upon the Fort Garry fur trade for its existence. Virtually isolated from the rest of the Canadian colony, it grew slowly and was not incorporated as a city until 1873. However, with the coming of the Canadian Pacific Railway in 1881 and its extension westward, Winnipeg entered into a period of rapid development which saw its emergence as a world grain market and as a manufacturing distribution centre for the entire Canadian Northwest. These were the favourable conditions which existed at the turn of the 20th century when the Home Brewery — now Fort Garry Brewery Limited — was founded. Ownership changed hands several times until 1930 when Mr. B. W. Hoeschen purchased the brewery and immediately initiated a long-term extensive program of plant expansion and modernization. The last major project was the construction in 1950 of one of the most modern and functionally best designed brewhouses in Western Canada. In February 1960 the brewery, which has 73 employees and an annual capacity of 60,000 barrels, was acquired by Sicks' Breweries Limited thereby becoming part of the Molson organization . . . Recent interesting developments have been the opening of a new retail outlet and the acquisition of land adjacent to the brewery which will be used for future expansion.



Frontier Beer and Frontier Stout are brewed in Winnipeg by the Fort Garry Brewery, and it also distributes Molson's Export Ale.



MOLSON'S REGINA BREWERY LTD.

The temperature of the wort is carefully checked as it passes through the cooler on its way to the fermenting tanks



"Pile of Bones" was the colourful sobriquet given Regina by the early settlers when they saw the area dotted with mounds of buffalo bones which had been left years previously by successful Indian and Metis hunting parties. In 1882 this fine city, the capital and major commercial center of Saskatchewan, was officially christened Regina in honour of Queen Victoria. Twenty-five years later the Regina Brewery was established, but operations ceased with the advent of prohibition. When repeal came in 1924 Lethbridge Breweries took over the plant and after renovations, began brewing in 1925. In 1958, it became one of Molson's plants and in 1959 its name was changed to Molson's Regina Brewery Ltd.

This brewery has an outstanding employee service record. Its 94 employees have a total of 1,221 years of service, and only seven employees have been less than 10 years with the firm. The annual capacity of the brewery is 150,000 barrels but this will be increased with completion in 1961 of the new $1,000,000 brewhouse now under construction. The additional facilities will make Molson's Regina Brewery Ltd. one of the most modern in Canada and will furnish additional productive capacity required for future needs. These will be great, for Regina's encircling wheat fields offer no geographic barriers to the continued growth of the city which has almost doubled its population in the past 13 years.



The three brands brewed and bottled in Molson's Regina plant are Pilsner Beer, Royal Stout and Nut Brown Ale.

MOLSON'S ACROSS CANADA



MOLSON'S
CAPILANO BREWERY LTD.
VANCOUVER, B.C.

Established: 1934
Capacity: 150,000 barrels
BRANDS PRODUCED:
Old Style Lager Beer,
Molson's Export Ale,
Molson's Canadian
Lager Beer.

SICKS'
LETHBRIDGE BREWERY LIMITED
LETHBRIDGE, ALTA.

Established: 1901
Capacity: 225,000 barrels
BRANDS PRODUCED:
Pilsner Beer, Royal Stout,
Lethbridge Pale Ale,
Lethbridge Beer

MOLSON'S
EDMONTON BREWERY LTD.
EDMONTON, ALTA.

Established: 1904
Capacity: 150,000 barrels
BRANDS PRODUCED:
Edmonton Export Beer,
Purple Label Stout

SICKS' PRINCE ALBERT
BREWERY LIMITED
PRINCE ALBERT, SASK.

Established: 1924
Capacity: 125,000 barrels
BRANDS PRODUCED:
Old Bohemian Style Lager,
Imperial Stout



MOLSON'S
REGINA BREWERY LTD.
REGINA, SASK.

Established: 1907
Capacity: 150,000 barrels
BRANDS PRODUCED:
Pilsner Beer, Royal Stout,
Nut Brown Ale

FORT GARRY BREWERY
LIMITED
WINNIPEG, MAN.

Established: 1909
Capacity: 60,000 barrels
BRANDS PRODUCED:
Frontier Beer, Frontier Stout

MOLSON'S BREWERY (ONTARIO)
LIMITED
TORONTO, ONT.

Established: 1953
Capacity: 500,000 Barrels
BRANDS PRODUCED:
Molson's Export Ale, Golden Ale,
Stock Ale, Cream Porter,
Molson's Canadian Lager Beer

MOLSON'S
BREWERY LIMITED
MONTREAL, QUE.

Established: 1786
Capacity: 1,900,000 barrels
BRANDS PRODUCED:
Molson's Export Ale, Golden Ale,
Molson's Canadian Lager Beer



SICKS' PRINCE ALBERT BREWERY LIMITED

The Cellar Foreman checks to see how the yeast is "working" in the wort now stored in the large fermenting tanks



Prince Albert, a flourishing city of 24,000 population, might be said to be unique in two respects: it has been represented in Parliament by three Prime Ministers and, secondly, it has a brewery which "krausens" its beer. Sir Wilfrid Laurier, the Right Honourable W. L. MacKenzie King and, currently, the Right Honourable John G. Diefenbaker have all represented the constituency. "Prince Albert" is the only brewery in Canada that krausens its beer. This is an old European method of natural carbonation in which the fermentation period is increased by a number of days, resulting in a heavier, more full-bodied beer. To the city's north lies the area in which Grey Owl, the world famous naturalist and lecturer, made his home and which is today the centre of some of Canada's best lake fishing. Southwest is Batoche, once headquarters of Louis Riel, of Northwest Rebellion fame. Sicks' Prince Albert Brewery, built on its present site in 1924, joined the Molson's organization in 1958. Since then it has shown a steady record of modernization and growth. Despite a relatively small annual capacity of 125,000 barrels, the brewery enjoys an extraordinary percentage of the Saskatchewan market. Among its 124 employees are no less than eight father-and-son combinations. With an eye to ever-growing demands for its products, a new cellar building was recently completed. In addition, construction of a large new bottling plant and warehouse is currently under way.

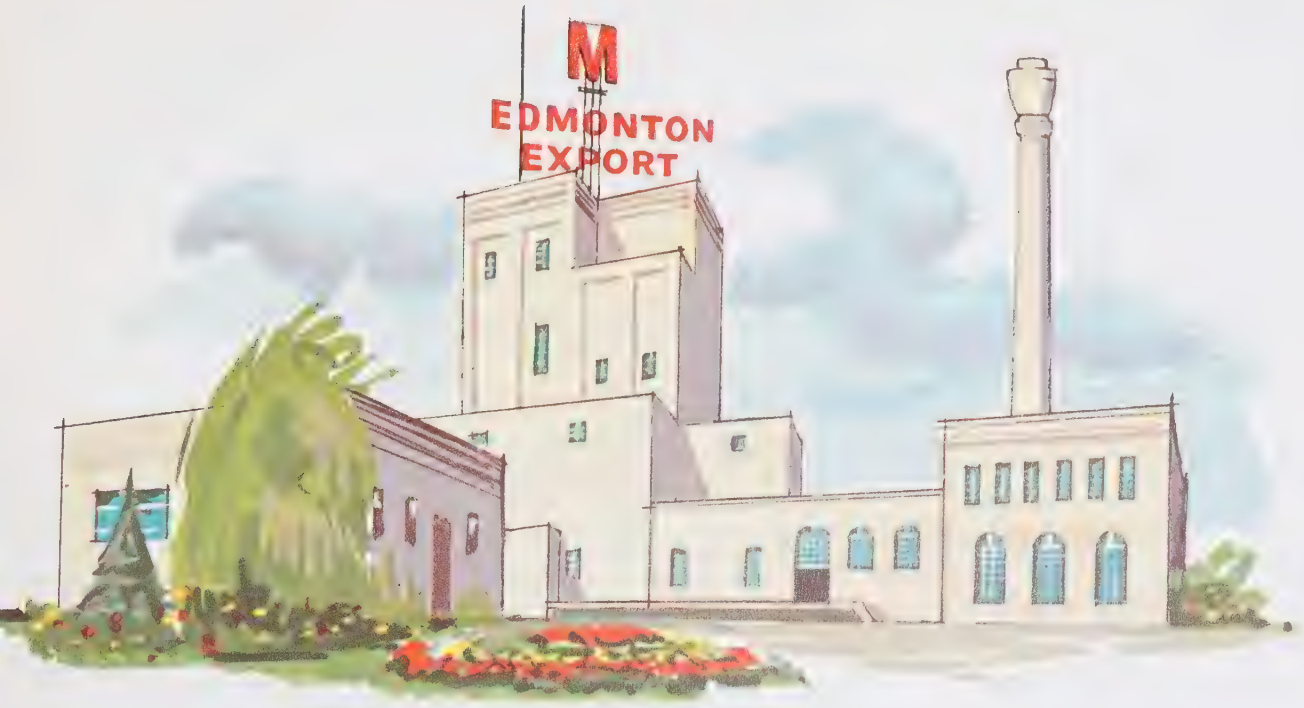


Old Bohemian Style Lager and Imperial Stout are the well-known Saskatchewan brands produced by the Prince Albert Brewery.



MOLSON'S EDMONTON BREWERY LTD.

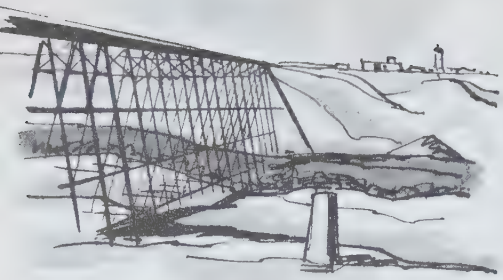
The brew is run off, after fermenting, into these glass-lined steel tanks to rest and age into mellow perfection



Edmonton has been likened to a husky boy whose extraordinary growth is the pride of his parents and the envy of his friends. The fastest growing metropolitan area in Canada, its population has soared from 4,000 in 1900 to its present 303,000. Gross value of production has more than tripled since 1949 and is over the $400,000,000 mark. Vast oil and gas deposits, low-cost power and untold mineral wealth will attract even more industry, more people, to the Gateway of the North. Into this city of rich promise came a small brewery 56 years ago. It was called the Edmonton Brewing & Malting Co. Ltd. In 1913 a new plant was erected on a five-acre site to meet the requirements of a steadily increasing market, and 14 years later the company came under the control of Lethbridge Breweries Limited, the brewery being renamed New Edmonton Brewery Limited. Other name changes followed until 1958 when it became part of the Molson organization and acquired its present title — Molson's Edmonton Brewery Ltd. The brewery has an annual capacity of 150,000 barrels and gives employment to 56 persons. Of the latter, one third have more than 15 years of service. With the recent addition of a modern, new retail outlet on its beautifully landscaped grounds and the continuing improvement of plant and equipment, Molson's Edmonton Brewery Ltd. is confident that it can successfully meet the stirring challenge of Alberta's phenomenal growth.



Edmonton Export Beer and Purple Label Stout are the brands produced and distributed in the Alberta market by Molson's Edmonton Brewery.



SICKS' LETHBRIDGE BREWERY LIMITED

All bottles from the sterilizer must pass close inspection before proceeding into the filler



A short distance from Sicks' Lethbridge Brewery is a monument which recalls a colourful event in the city's early history. It marks the site of the last great Indian battle, fought between the Cree and Blackfeet tribes, which became known as the "Whoop-up Massacre". This was in 1870 when Lethbridge was first settled and known as Coal Banks. Civilization had worked its magic and the atmosphere was much less violent 31 years later when the original brewery was founded. At first, it was largely a one-man operation carried on by Fritz Sick in a frame building which was erected on the site of the present modern brewery. However, the brewery prospered and, subsequently, branches were established in major centers of Western Canada including Regina, Edmonton, Prince Albert and Vancouver. The brewery, which operated under Molson management for the first time in 1958, has a capacity of 225,000 barrels annually and provides work for 150 employees. It also has a soft drink plant which is operated in conjunction with the brewery.



Four brands are brewed by the Lethbridge Brewery; Pilsner Beer, Royal Stout, Lethbridge Pale Ale and Lethbridge Beer.



MOLSON'S CAPILANO BREWERY LTD., VANCOUVER

The grain from the barley malt storage bins is released into the malt mill, where it is ground to a fine powder



Once called "Gastown" and burned to ashes two months after its incorporation in 1886, Vancouver, the largest and most important Canadian seaport on the Pacific Coast, successfully overcame those blows to its pride and existence to become known as "The City of Imperial Destiny". As part of that destiny in 1934 Fritz Sick started the small brewery on Powell Street which was to become Molson's Capilano Brewery a quarter century later. The venture soon prospered and following World War II, the brewery facilities were no longer adequate to meet the demand for its products. A long search ensued for a proper site and finally in 1953 a large modern brewery was officially opened on land which formerly had been part of the Kitsilano Indian Reserve. In 1958, this brewery became part of Molson's and its name was changed to Molson's Capilano Brewery Ltd., in 1959. With an annual capacity of 150,000 barrels, the brewery provides employment for 108 persons, a number of whom have been with it since its inception in 1934. Located on busy Burrard Street, the attractive building in its colourful, well-kept grounds draws the eye and evokes admiring comment from residents and visitors. Atop the brewery is the weather tower (the second ever built in Canada) that flashes the forecast for all of Vancouver to see.



The Vancouver plant brews Old Style Lager, Molson's Export Ale and Molson's Canadian Lager Beer for the West Coast Market.



MOLSON'S

. . . A SIGNIFICANT FACTOR IN CANADA'S BREWING INDUSTRY & ECONOMY

An established leader for 175 years, Molson's contribution to today's industry and economy is more vital and vigorous than ever.

Since the founding of their brewery in 1786, six generations of the Molson Family have seen brewing in Canada grow from an individual's craft into an industry with an annual production of well over 9,000,000 barrels. This tremendous rate of growth is exemplified by the fact that production has increased *four-fold* in the last twenty years alone.

Molson's has more than kept pace with this phenomenal expansion. The leadership and foresight of the founder inspired an organization which, through the years has developed from a local enterprise into a national institution. Nor has progress reached its peak: the ever increasing recognition of beer as a beverage of quality and moderation gives promise of an excellent future.

Equally important has been the Molson organization's role in supporting Canada's farmers, and, in particular, her barley growers. As a founding member of the Dominion Brewers Association, Molson's helped establish and has vigorously supported the Canadian Barley Institute and its experimental laboratory in Winnipeg. The Institute's efforts have made a substantial contribution to the quality of Canada's barley crop which is rated, today, as being among the world's finest.

Molson's is, as well, an important customer of Canada's farmers in that it purchases from them a major portion of the ingredients used in the brewing process. Some $6,000,000 are spent annually on barley malt, for example, and although the organization maintains its own hop farm in Kamloops, B. C., further substantial purchases are made to meet the breweries' total hop requirements.

Canadian farming also benefits from the valuable cattle feed provided from by-products produced by Molson's breweries across Canada. These come chiefly in the form of dried brewer's grains. As well, some 650,000 lbs. of naturally regenerated yeast are dried and sold as vitamin-packed, protein-filled cattle feed. A further quarter million pounds of debittered yeast are sold annually for human consumption and for use in pharmaceutical vitamin preparations.

With production running as high as 2,000,000 bottles a day and an annual consumption of over $3,000,000 in packaging materials alone, Molson's organization also represents an important source of revenue to the glass and pulp and paper industries. It is, too, a valued dollar earner for such other industries and services as power and water, transportation, publicity, and a host of wholesale and retail establishments.

Looking to the economy as a whole, Molson's contributes over $46,000,000 annually in sales and excise taxes. In addition, the organization provides direct employment to almost 2,500 Canadians earning a total payroll of over $13,000,000. And it is generally recognized that the position of Molson's employees, in an industry having a high wage level, is second to none in terms of both direct income and welfare benefits.



J. D. Molson, *Assistant to the President and Assistant Secretary;* J. H. Molson, *Vice-President;* T. H. P. Molson, *Chairman of the Board;* The Honourable H. deM. Molson, *President;* D. M. Chenoweth, *Executive Vice-President;* J. M. McGillis, *Vice-President and Treasurer;* J. T. Black, *Comptroller and Assistant Treasurer;* Morgan McCammon, *Secretary and General Counsel.*
(*The portraits are of:* The Honourable John Molson, 1763-1836; John Molson the Younger, 1787-1860; Thomas Molson, 1791-1863; William Molson, 1793-1875; John H. R. Molson, 1826-1897.)



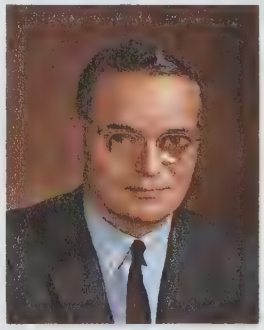
P. T. MOLSON
General Manager,
Molson's Brewery Limited
(Quebec Division)



J. P. G. KEMP
Executive Vice-President,
Molson's Brewery (Ont.) Ltd.
(Ontario Division)



N. A. MacPHEE
President,
Sicks' Breweries Limited
(Western Division)



W. L. SHORTREED
Vice-President and General Manager,
Sicks' Breweries Limited
(Western Division)

The history of any successful industrial concern is essentially a story of leadership. So it is with Molson's Brewery where growth and success are a reflection of sound management since the time of John Molson, the founder. The wisdom and foresight of six generations has been complemented by competent professional management and these together have resulted in the strong national organization of today. With the recognition of the ability, dignity, and unity of purpose of the people in the organization, Molson's looks forward to the future, confident that it will keep pace with the promise of our country.

175th ANNIVERSARY



1786 · MOLSON'S · 1961

AR11



1961 Annual Report

MOLSON'S BREWERY LIMITED

The 175th

ANNUAL STATEMENT

For the Year Ended

30th September, 1961

Presented to the Shareholders at their

ANNUAL MEETING, 4th JANUARY, 1962

MOLSON'S BREWERY LIMITED

1555 NOTRE DAME STREET EAST
MONTREAL, CANADA

Directors

J. H. MOLSON
T. H. P. MOLSON
HON. H. DEM. MOLSON
F. S. MOLSON
E. GENEST
P. BIENVENU
J. M. McGILLIS
D. M. CHENOWETH
E. G. SICK
R. H. B. KER
N. A. MACPHEE

BREWERIES

QUEBEC DIVISION	MONTREAL
ONTARIO DIVISION	TORONTO
WESTERN DIVISION	WINNIPEG, REGINA, PRINCE ALBERT, LETHBRIDGE, EDMONTON AND VANCOUVER

Bankers	BANK OF MONTREAL
Auditors	McDONALD, CURRIE & CO.
Transfer Agent	THE ROYAL TRUST COMPANY
Registrar	NATIONAL TRUST COMPANY LIMITED

Officers

T. H. P. MOLSON *Chairman of the Board*

HON. H. DEM. MOLSON *President*

D. M. CHENOWETH *Executive Vice-President*

J. M. MCGILLIS *Vice-President and Treasurer*

MORGAN MCCAMMON *Secretary*

H. G. TAIT *Comptroller*

J. K. REID *Assistant Treasurer*

QUEBEC DIVISION
MOLSON'S BREWERY LIMITED

J. P. G. KEMP *Vice-President and General Manager*

J. D. MOLSON *Assistant General Manager*

ONTARIO DIVISION
MOLSON'S BREWERY (ONTARIO) LIMITED

P. T. MOLSON *Vice-President and General Manager*

G. H. CRAIG *Vice-President and Secretary*

WESTERN DIVISION
SICKS' BREWERIES LIMITED

N. A. MACPHEE *President*

J. T. BLACK *Vice-President and General Manager*

Financial Highlights

For the years ended September 30

	1961	1960	1959
Sales	$106,272,065	$103,498,069	$90,998,271
Taxes—Excise and sales	40,690,729	39,654,456	35,234,415
—Income	7,475,000	7,340,000	6,275,000
Depreciation of Fixed Assets	3,010,736	2,777,938	2,278,427
Net Earnings	7,614,855	7,511,009	6,673,464
Earnings per "A" and "B" share	1.81	1.79	1.61
Dividends per "A" and "B" share	.90	.90	.90
Capital Expenditures	3,567,818	4,015,346	4,770,563
Working Capital	16,473,125	13,587,654	11,742,726
Number of Shareholders—Class "A" and/or "B"	7,532	7,453	7,216
Number of Employees	2,414	2,479	2,387

To the Shareholders:

It is our pleasure to submit the 175th Annual Statement of your Company. While it shows only modest increases in sales and earnings over last year nevertheless both are the highest on record — a fitting climax to the celebration of the 175th Anniversary of the business of your Company.

Marketing

While industry sales in Canada increased by 1.6% in 1961, they lagged behind both population growth and the trend of recent years. This is the result, it is felt, of the persistent high level of unemployment as well as the cool weather experienced in Eastern Canada during June and July.

During the same period your company's sales increased 2.5%, reflecting both industry growth and a continuing gain in share of market. The latter now represents 26.4% of total Canadian beer sales.

Our two national brands — "Molson's Export Ale" and "Molson's Canadian Lager Beer" — continue to be important elements in the success of our operations. As a further step toward national distribution, "Canadian" was introduced into the Province of Manitoba in June and, as elsewhere, consumer acceptance has been most gratifying. Our "Export" continues to be Canada's largest selling ale by a substantial margin.

Commencing in May, and in concert with the other members of the Canadian brewing industry, your Company participated in the experimental introduction of a compact returnable bottle in selected test markets in Ontario and Quebec. While of the same capacity, it is shorter and lighter than the 12-ounce bottle currently in use, and thus is easier to store and carry. Amber in colour, it also provides much greater product protection from light. Consumer reaction having been most favourable, it has been decided to replace all 12-ounce bottles presently in use by the industry in Canada with the new compact container. The conversion will be made in stages, the first major changeover taking place next spring in Ontario, Quebec, the Maritime Provinces and Newfoundland.

The project is one of major dimensions for the Canadian brewing industry, involving as it does the initial purchase of more than twenty-seven million dozen bottles as well as vast quantities of other packaging materials. All purchases will be made in Canada, and will result in substantial additional business and employment for a number of Canadian companies for the next year or more. In turn, the very large cash outlays on the part of the brewing companies will be recovered through freight savings and reductions in material, warehousing and handling costs over a period of approximately four years.

Financial

The consolidated accounts include the operations of all subsidiary companies, except those of an investment subsidiary of Sicks' Breweries Limited. All the shares of this subsidiary were acquired during the year and it was wound up following the fiscal year end. Comparable 1960 figures include the operations of Molson's Fort Garry Brewery Ltd. for seven months.

Sales increased to $106,272,065, a gain of $2,773,996 over last year's $103,498,069. After provision for income taxes and minority interests, Consolidated Net Earnings were $7,614,855, compared with $7,511,009 a year ago. After payment of preferred dividends amounting to $500,205, earnings per "A" and "B" share were $1.81 on a total of 3,926,824 shares outstanding in 1961, compared with $1.79 on 3,925,004 shares in 1960. Dividends paid in 1961 on the "A" and "B" shares amounted to $3,533,444 as compared to $3,532,022 in 1960.

A capital profit realized on the disposal of certain assets of a subsidiary company during 1961 had the effect of increasing Earnings Retained in the Business by $439,853.

In the year consolidated working capital increased by $2,885,471 with the result that at the year end it amounted to $16,473,125.

Production

To provide for volume increases, and in order to make our production facilities more efficient, $3,567,818 was spent on plant and equipment in the year. Major projects were the completion of a new warehouse in Winnipeg, Manitoba, a new brew house in Regina, Saskatchewan, and construction of a new bottleshop and installation of new bottling equipment at Prince Albert, Saskatchewan.

Taxes

We believe that we should continue to give special mention to the very heavy tax burden which your Company continues to bear. A total of $40,690,729 was paid in excise duties and sales taxes in 1961, this in addition to $7,475,000 in income taxes. The combined tax costs represent 45.2 cents out of each sales dollar.

In this connection we have to report that in the year the gallonage tax was increased by 1½¢ per gallon in the Province of Quebec, and that the 3% Sales Tax adopted by the Province of Ontario is applicable to bottled beer. In addition to increasing prices, the latter tax has the effect of imposing a second level of tax on tax on bottled beer in Ontario.

With the other members of the Industry we have made and will continue to make representations to the Federal and the provincial governments, pointing out the several inequities which

exist in the various methods of applying taxes on beer, and at the same time striving to effect some reductions of the currently excessive burden borne by both the brewing industry and the consumers of its products.

Personnel

In May, Mr. J. T. Black, formerly Comptroller of Molson's Brewery Limited, was appointed Vice-President and General Manager of the Western Division, replacing Mr. W. L. Shortreed who resigned. Mr. H. G. Tait, formerly Comptroller of the Ontario Division, was appointed Comptroller of the parent company.

In September, Mr. J. P. G. Kemp, formerly Executive Vice-President of the Ontario Division was appointed Vice-President and General Manager of the Quebec Division. He succeeded Mr. P. T. Molson who was appointed Vice-President and General Manager of the Ontario Division. Mr. J. D. Molson formerly Assistant to the President and Assistant Secretary of Molson's Brewery Limited was appointed Assistant General Manager of the Quebec Division.

Mr. J. Smola, former Budget Manager of the Quebec Division was appointed Director of Planning of the parent Company.

Three collective agreements were negotiated in the Western Division and one in the Ontario Division, each for 2 year terms and resulting in annual wage increases of approximately 3%. Five contracts will come up for renewal in 1962 — one in the Ontario Division and four in the Western Division.

1961 was an active and challenging period for your Company. As a consequence heavy demands were made upon the resourcefulness and energies of employees everywhere. Your Directors take pleasure in recording their deep appreciation of their service and cooperation during the year.

Change of Name

For some time your Directors have felt that the present name of the Company while properly descriptive of the original brewery, no longer serves to indicate that it consists of eight breweries across Canada and to that extent is misleading. Accordingly your Directors have enacted a by-law authorizing application for Supplementary Letters Patent changing the name of the Company to Molson Breweries Limited, and it will be presented for your approval at the Shareholders' Meeting in January.

Directors Meetings

In order to maintain closer contact with the operations of the Company at its various plant locations and to become better acquainted with those who are directly and indirectly concerned in the business of the Company at those locations, your Directors held their regular May meeting in Edmonton, Alberta and their December meeting in Toronto, Ontario. It is planned to hold meetings at other plant locations across the country from time to time.

Outlook

While we cannot fail to mention concern over the continuing high rate of unemployment in the country coupled with the trend towards higher costs and lower return on investment, present forecasts indicate that the general upturn in the Canadian economy, which began last February, will be maintained at least into the second half of 1962.

The latter is an encouraging background against which to view the prospects of the brewing industry and your company in the year ahead. As a result, and assuming no untoward tax or legislative changes affecting the industry, we believe that moderate growth in the sales and earnings of your Company will continue in 1962.

On behalf of the Board,

T. H. P. MOLSON,
Chairman.

H. DEM. MOLSON,
President.

Montreal, Canada,
6th December, 1961.

Consolidated Statement of Earnings

For the year ended September 30, 1961

	1961	1960
Sales	$106,272,065	$103,498,069
Government excise and sales taxes	40,690,729	39,654,456
	65,581,336	63,843,613
Manufacturing, selling and administrative costs	51,198,317	49,533,201
Profit from operations	14,383,019	14,310,412
Other income		
Income from investments	781,489	579,588
Profit on sale of investments	—	37,627
	15,164,508	14,927,627
Provision for income taxes (Note 5)	7,475,000	7,340,000
	7,689,508	7,587,627
Minority interest	74,653	76,618
Net earnings for the year (Note 6)	$ 7,614,855	$ 7,511,009

Consolidated Statement of Earnings Retained in the Business

For the year ended September 30, 1961

	1961	1960
Balance—beginning of year	$ 31,237,975	$ 28,036,546
Net earnings for the year	7,614,855	7,511,009
Profit on sale of non-brewing interests	439,853	—
	39,292,683	35,547,555
Dividends paid—		
Preferred shares	500,205	500,205
Class "A" shares	1,766,722	1,766,011
Class "B" shares	1,766,722	1,766,011
	4,033,649	4,032,227
Excess of cost of shares of a subsidiary company over the book value of net assets (Goodwill)	—	277,353
	4,033,649	4,309,580
Balance—end of year	$ 35,259,034	$ 31,237,975

MOLSON'S BREWERY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at September 30, 1961

(with comparative figures for the previous year)

ASSETS

	1961	1960
CURRENT ASSETS		
Cash and short term deposits	$ 7,963,272	$ 5,094,170
Investments (Note 2)	2,557,506	2,478,544
Accounts receivable	6,144,473	5,525,882
Inventories—at the lower of cost or market	7,976,851	8,149,225
	24,642,102	21,247,821
OTHER ASSETS		
Investment in shares of a subsidiary (not consolidated)—at cost	751,813	501,813
Investments in shares—at cost, and advances to other companies	4,171,779	4,172,117
Mortgages and secured loans	1,368,922	1,252,971
Life insurance—cash surrender value	356,013	353,452
Prepaid expenses and deferred charges	764,559	473,417
	7,413,086	6,753,770
FIXED ASSETS		
Land, buildings and equipment—at cost (Note 3)	64,868,341	61,511,316
Accumulated depreciation	31,420,627	28,620,684
	33,447,714	32,890,632
	$65,502,902	$60,892,223

LIABILITIES

		1961	1960
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		$ 2,681,717	$ 2,159,900
Sundry taxes		1,601,578	1,437,344
Income taxes		3,885,682	4,062,923
		8,168,977	7,660,167
MINORITY SHAREHOLDERS' INTEREST IN CONSOLIDATED NET ASSETS		636,459	587,609
SHAREHOLDERS' EQUITY			
Capital stock—(Note 4)			
Authorized—			
250,000 5½% cumulative redeemable preferred shares of a par value of $40 each			
2,250,000 Class "A" shares without nominal or par value			
2,250,000 Class "B" shares without nominal or par value			
Issued and fully paid—			
227,366 Preferred shares	$ 9,094,640		
1,963,412 Class "A" shares	6,171,896		
1,963,412 Class "B" shares	6,171,896		
	$21,438,432		
Earnings retained in the business	35,259,034		
		56,697,466	52,644,447
		$65,502,902	$60,892,223

Signed on behalf of the Board:

T. H. P. MOLSON, *Director*

H. deM. MOLSON, *Director*

MOLSON'S BREWERY LIMITED

AND SUBSIDIARY COMPANIES

Notes to consolidated financial statements
for the year ended September 30, 1961

1. CONSOLIDATION

The consolidated financial statements include the accounts of all subsidiary companies except an investment holding company which has since been wound up.

2. INVESTMENTS

Government bonds and other marketable securities have been valued at cost, less reserve, and have an approximate market value of $3,087,000.

3. COMMITMENTS

Capital—The companies have contracted for additional capital expenditures which will amount to approximately $2,000,000.

Other—The estimated cost of the companies' participation in the industry bottle conversion programme is $3,300,000.

4. CAPITAL STOCK

(a) Class "A" shares are non-voting except in the event of omission of dividends for a period of two years.

(b) Under the terms of a stock option plan 50,000 Class "A" shares and 50,000 Class "B" shares of the authorized and unissued capital were reserved for the granting of options to officers and other executive personnel. The expiry date of the plan has been extended to December 31, 1966.

As at September 30, 1961, options had been granted with respect to 13,125 Class "A" shares and 13,125 Class "B" shares and options had been exercised with respect to 8,680 Class "A" shares and 8,680 Class "B" shares.

Under the plan 910 Class "A" shares and 910 Class "B" shares were issued during the year for a total consideration of $31,960.

5. PROVISION FOR INCOME TAXES

The provision for income taxes has been calculated after claiming maximum capital cost allowance which is in excess of depreciation recorded in the accounts

by $356,000. As a result, the total taxes otherwise payable for the year have been reduced by $146,000.

The net book value of fixed assets exceeds their undepreciated capital cost for federal income tax purposes by an amount of $4,058,000.

6. DEPRECIATION, EXECUTIVE SALARIES, DIRECTORS' AND LEGAL FEES

The following items have been charged before determining the net earnings for the year—

Depreciation of fixed assets	$3,010,736
Remuneration of executive officers of the parent company	231,167
Fees of directors of the parent company	11,167
Legal fees	20,817

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Molson's Brewery, Limited and its subsidiary companies as at September 30, 1961 and the consolidated statements of earnings and earnings retained in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The consolidated financial statements incorporate figures in respect of certain subsidiary companies which have been reported on by other auditors.

In accordance with the provisions of Section 118 of the Companies Act, we report that the profits for the year of a subsidiary company (not consolidated) have been included in income in the accompanying statements only to the extent of the dividends received.

In our opinion, based upon our examination and the reports of other auditors and according to the best of our information and explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statements of earnings and earnings retained in the business, when read in conjunction with the notes appended thereto, are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at September 30, 1961 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.,
Chartered Accountants.

MONTREAL, November 20, 1961.

MOLSON'S BREWERY LIMITED
AND SUBSIDIARY COMPANIES

Consolidated Statement of Source and Application of Funds

For the Year ended September 30, 1961

CONSOLIDATED WORKING CAPITAL — October 1, 1960		$13,587,654
SOURCE OF FUNDS —		
Net earnings	$7,614,855	
Profit on sale of non-brewing interests	439,853	
Depreciation of fixed assets	3,010,736	
Proceeds of shares issued under stock option plan	31,960	
		11,097,404
		24,685,058
APPLICATION OF FUNDS —		
Net additions to fixed assets	3,567,818	
Dividends paid	4,033,649	
Investments in, and advances to, other companies	249,662	
Net increase in other assets	360,804	
		8,211,933
CONSOLIDATED WORKING CAPITAL — September 30, 1961		$16,473,125

LA BRASSERIE MOLSON LIMITÉE

ET SES FILIALES

État consolidé de provenance et d'utilisation des fonds

Pour l'année terminée le 30 septembre 1961

FONDS DE ROULEMENT CONSOLIDÉ—1er octobre 1960		$13,587,654
PROVENANCE DES FONDS—		
Bénéfice net	$ 7,614,855	
Profit sur vente d'actifs étrangers aux opérations de brasserie	439,853	
Amortissement des immobilisations	3,010,736	
Produit des actions émises en vertu du plan de souscription	31,960	
		11,097,404
		24,685,058
UTILISATION DES FONDS—		
Additions aux immobilisations (net)	3,567,818	
Dividendes payés	4,033,649	
Placements en actions et avances à d'autres compagnies	249,662	
Augmentation aux autres actifs (net)	360,804	
		8,211,933
FONDS DE ROULEMENT CONSOLIDÉ—30 septembre 1961		$16,473,125

La valeur nette aux livres des immobilisations excède de $4,058,000 leur coût en capital non déprécié, pour fins d'impôt fédéral.

6. AMORTISSEMENT, RÉMUNÉRATION DES FONCTIONNAIRES ADMINISTRATIFS, HONORAIRES DES ADMINISTRATEURS ET FRAIS DE LOI

Les dépenses suivantes ont été imputées aux comptes avant de déterminer le bénéfice net pour l'année—

Amortissement des immobilisations	$3,010,736
Rémunération des fonctionnaires administratifs de la compagnie mère	231,167
Honoraires des administrateurs de la compagnie mère	11,167
Frais de loi	20,817

RAPPORT DES VÉRIFICATEURS AUX ACTIONNAIRES

Nous avons examiné le bilan consolidé de La Brasserie Molson Limitée et ses filiales au 30 septembre 1961 et les états consolidés de bénéfices et des bénéfices retenus dans l'entreprise pour l'année terminée à cette date et avons obtenu tous les renseignements et explications que nous avons demandés. Notre examen a comporté une revue générale des procédés comptables et les sondages des livres, pièces et autres documents à l'appui qui nous ont paru nécessaires dans les circonstances. Les états financiers consolidés comprennent les chiffres de certaines filiales sur lesquels d'autres vérificateurs ont fait rapport.

Conformément à l'article 118 de la loi des compagnies, nous faisons rapport que les profits pour l'année d'une filiale (non consolidée) ont été inclus comme revenu dans les états ci-joints jusqu'à concurrence des dividendes reçus seulement.

A notre avis, d'après notre examen et les rapports des autres vérificateurs, au meilleur de notre connaissance et selon les explications qui nous ont été données et d'après ce qu'indiquent les livres des compagnies, le bilan consolidé et les états consolidés de bénéfices et des bénéfices retenus dans l'entreprise ci-joints, lorsque lus conjointement avec les notes y annexées, sont bien dressés de manière à représenter l'état consolidé véritable et exact des affaires des compagnies au 30 septembre 1961 et les résultats consolidés de leurs opérations pour l'année terminée à cette date, selon les principes comptables généralement reconnus et appliqués d'une manière conforme à celle de l'année précédente.

McDONALD, CURRIE & CO.,
Comptables agréés.

MONTRÉAL, le 20 novembre 1961.

LA BRASSERIE MOLSON LIMITÉE

ET SES FILIALES

Notes relatives aux états financiers consolidés
pour l'année terminée le 30 septembre 1961

1. CONSOLIDATION

Les états financiers consolidés comprennent les comptes de toutes les filiales de la compagnie, à l'exception d'une compagnie de placement qui a été liquidée depuis.

2. PLACEMENTS

Les obligations de gouvernements et les autres valeurs négociables ont été évaluées au prix coûtant moins une réserve, et leur valeur approximative au marché est de $3,087,000.

3. ENGAGEMENTS

Immobilisations—Les compagnies ont des engagements pour des dépenses en immobilisations additionnelles qui se chiffreront à environ $2,000,000.

Autres—Le coût pour la participation des compagnies dans le programme de changement de bouteille dans l'industrie est estimé à $3,300,000.

4. CAPITAL-ACTIONS

(a) Les actions classe "A" ne comportent pas le droit de vote, sauf dans le cas d'omission de dividendes pendant une période de deux ans.

(b) 50,000 actions classe "A" et 50,000 actions classe "B" du capital-actions autorisé et non émis ont été mises sous réserve en prévision de l'acquisition d'actions de la compagnie par les officiers et membres du personnel administratif, en vertu du plan leur accordant ce privilège. La date d'échéance de ce plan a été reportée au 31 décembre 1966.

Au 30 septembre 1961, des options ont été accordées sur 13,125 actions classe "A" et 13,125 actions classe "B" et des options ont été exercées sur 8,680 actions classe "A" et 8,680 actions classe "B".

En vertu de ce plan, 910 actions classe "A" et 910 actions classe "B" ont été émises au cours de l'année pour une considération totale de $31,960.

5. PROVISION POUR IMPÔTS SUR LE REVENU

La provision pour impôts sur le revenu a été calculée en tenant compte de l'allocation maximum pour coût en capital qui dépasse de $356,000 l'amortissement inscrit aux livres. De ce fait les impôts à payer ont été réduits de $146,000.

PASSIF

		1961	1960
EXIGIBILITÉS			
Comptes à payer et dépenses courues		$ 2,681,717	$ 2,159,900
Taxes diverses		1,601,578	1,437,344
Impôts sur le revenu		3,885,682	4,062,923
		8,168,977	7,660,167
INTÉRÊT DES ACTIONNAIRES MINORITAIRES DANS L'ACTIF NET CONSOLIDÉ		636,459	587,609
PART DES ACTIONNAIRES			
Capital-actions (Note 4)—			
Autorisé—			
250,000 actions privilégiées, 5½% cumulatif, rachetables, d'une valeur au pair de $40 chacune			
2,250,000 actions classe "A", sans valeur nominale ou au pair			
2,250,000 actions classe "B", sans valeur nominale ou au pair			
Émis et entièrement versé—			
227,366 actions privilégiées	$ 9,094,640		
1,963,412 actions classe "A"	6,171,896		
1,963,412 actions classe "B"	6,171,896		
	$21,438,432		
Bénéfices retenus dans l'entreprise	35,259,034		
		56,697,466	52,644,447
		$65,502,902	$60,892,223

Signé au nom du Conseil:

T. H. P. MOLSON, *administrateur*

H. deM. MOLSON, *administrateur*

LA BRASSERIE MOLSON LIMITÉE

ET SES FILIALES

Bilan consolidé au 30 septembre 1961

(avec les chiffres comparatifs pour l'année précédente)

ACTIF

	1961	1960
DISPONIBILITÉS		
Encaisse et dépôts à court terme	$ 7,963,272	$ 5,094,170
Placements (Note 2)	2,557,506	2,478,544
Comptes à recevoir	6,144,473	5,525,882
Inventaires—au plus bas des prix coûtant ou courant	7,976,851	8,149,225
	24,642,102	21,247,821
AUTRES ACTIFS		
Placements en actions d'une filiale (non consolidée)—au prix coûtant	751,813	501,813
Placements en actions—au prix coûtant, et avances à d'autres compagnies	4,171,779	4,172,117
Hypothèques et prêts garantis	1,368,922	1,252,971
Assurance-vie—valeur de rachat	356,013	353,452
Dépenses payées d'avance et dépenses différées	764,559	473,417
	7,413,086	6,753,770
IMMOBILISATIONS		
Terrains, bâtisses et équipement—au prix coûtant (Note 3)	64,868,341	61,511,316
Amortissement accumulé	31,420,627	28,620,684
	33,447,714	32,890,632
	$65,502,902	$60,892,223

État consolidé de bénéfices

Pour l'année terminée le 30 septembre 1961

	1961	1960
Ventes	$106,272,065	$103,498,069
Taxes d'accise et de vente prélevées par les gouvernements	40,690,729	39,654,456
	65,581,336	63,843,613
Frais de fabrication, de vente et d'administration	51,198,317	49,533,201
Profit des opérations	14,383,019	14,310,412
Autres revenus		
Revenu provenant des placements	781,489	579,588
Profit sur vente de placements	—	37,627
	15,164,508	14,927,627
Provision pour impôts sur le revenu (Note 5)	7,475,000	7,340,000
	7,689,508	7,587,627
Intérêts minoritaires	74,653	76,618
Bénéfice net pour l'année (Note 6)	$ 7,614,855	$ 7,511,009

État consolidé des bénéfices retenus dans l'entreprise

Pour l'année terminée le 30 septembre 1961

	1961	1960
Solde au commencement de l'année	$ 31,237,975	$ 28,036,546
Bénéfice net pour l'année	7,614,855	7,511,009
Profit sur vente d'actifs étrangers aux opérations de brasserie	439,853	—
	39,292,683	35,547,555
Dividendes payés—		
Actions privilégiées	500,205	500,205
Actions classe "A"	1,766,722	1,766,011
Actions classe "B"	1,766,722	1,766,011
	4,033,649	4,032,227
Excédent du coût des actions d'une filiale sur la valeur aux livres de l'actif net (achalandage)	—	277,353
	4,033,649	4,309,580
Solde à la fin de l'année	$ 35,259,034	$ 31,237,975

Les assemblées des administrateurs

Afin de maintenir un contact plus intime avec les opérations de la compagnie dans les diverses localités où elle possède des usines et afin de mieux connaître ceux qui sont de loin ou de près intéressés aux affaires de la compagnie dans ces localités, vos administrateurs ont tenu leur assemblée régulière de mai à Edmonton, Alberta, et leur assemblée de décembre à Toronto, Ontario. On projette de tenir, de temps à autre, des assemblées dans d'autres localités à travers le pays.

Les perspectives

Bien que nous ne puissions pas dissimuler notre inquiétude au sujet du chômage dans notre pays, ainsi que la tendance vers des frais d'exploitation toujours plus élevés et un revenu sur les investissements de plus en plus réduit, les prévisions actuelles veulent que le renouveau général dans l'économie canadienne, qui a commencé en février dernier, se maintienne au moins jusque dans la dernière moitié de 1962.

C'est contre cette toile de fond encourageante qu'il faut envisager les perspectives des brasseries et de notre compagnie au cours de l'année à venir. Conséquemment, à moins de taxes imprévues ou de modifications législatives affectant l'industrie, nous sommes d'avis que l'accroissement modeste de nos ventes et nos bénéfices se continuera en 1962.

Au nom du Conseil d'Administration,

T. H. P. Molson,
président du Conseil.

H. deM. Molson,
président.

Montréal, Canada,
6 décembre 1961.

adoptée par la province d'Ontario s'applique à la bière en bouteilles. En plus d'augmenter les prix, cette dernière taxe a pour effet d'ajouter un deuxième niveau de taxe sur taxe sur la bière en bouteilles en Ontario.

De concert avec les autres brasseries nous avons fait valoir notre point de vue auprès des autorités fédérales et provinciales, leur signalant les nombreuses injustices qui résultent des diverses méthodes employées pour taxer la bière tout en essayant d'obtenir quelque diminution du fardeau excessif que doivent porter actuellement notre industrie et les consommateurs de ses produits.

Le personnel

En mai, Monsieur J. T. Black, auparavant contrôleur de Molson's Brewery Limited, a été nommé vice-président et gérant-général de la division ouest, remplaçant Monsieur W. L. Shortreed, démissionnaire. Monsieur H. G. Tait, auparavant contrôleur de la division de l'Ontario a été nommé contrôleur de la compagnie mère.

En septembre, Monsieur J. P. G. Kemp, auparavant vice-président exécutif de la division de l'Ontario a été nommé vice-président et gérant-général de la division du Québec. Il succède à Monsieur P. T. Molson qui a été nommé vice-président et gérant-général de la division de l'Ontario. Monsieur J. D. Molson, auparavant adjoint au président et secrétaire adjoint de Molson's Brewery Limited a été nommé gérant général adjoint de la division du Québec.

Monsieur J. Smola, anciennement directeur du budget de la division du Québec a été nommé directeur de la planification auprès de la compagnie mère.

Au cours de l'année, trois contrats collectifs, chacun pour une période de deux ans, furent négociés, dans la division de l'ouest et celle de l'Ontario, amenant une hausse annuelle de salaires d'environ 3%. Cinq contrats doivent être renouvelés en 1962, un dans la division de l'Ontario et quatre dans la division de l'ouest.

L'année 1961, fut pour votre compagnie une année active et remplie de défis. En conséquence, les employés de toutes les régions ont dû déployer des ressources et une énergie inestimables. Les administrateurs se plaisent à reconnaître les services et la collaboration apportée par tous et chacun au cours de l'année.

Le changement de nom

Depuis quelque temps déjà, vos administrateurs estiment que le nom actuel de la compagnie qui désignait la brasserie à ses débuts, n'indique plus adéquatement que cette même compagnie englobe aujourd'hui huit brasseries à travers le Canada. Ils ont donc adopté un règlement autorisant une demande pour des lettres patentes additionnelles changeant le nom de la compagnie à Molson Breweries Limited. Ce règlement sera soumis à votre approbation lors de l'assemblée des actionnaires, en janvier.

considérables grâce à des économies sur le fret, et à des réductions dans le coût des matériaux, de l'entreposage et de la manutention. Cette récupération s'effectuera sur une période d'environ quatre ans.

Les finances

Les comptes consolidés comprennent les opérations de toutes les filiales, sauf une filiale d'investissement de Sicks' Breweries Limited. Toutes les actions de cette filiale furent acquises durant l'année et elle a été liquidée après l'expiration de son exercice financier. Les chiffres comparatifs pour 1960 tiennent compte des opérations de Molson's Fort Garry Brewery Ltd., pour une période de sept mois.

Les ventes ont augmenté à $106,272,065, une hausse de $2,773,996 sur les $103,498,069 de l'année dernière. Déductions faites des impôts sur le revenu et des intérêts minoritaires, les bénéfices nets consolidés se chiffrent à $7,614,855 comparativement à $7,511,009 l'an dernier. Après paiement de dividendes au montant de $500,205 sur les actions privilégiées, les bénéfices furent de l'ordre de $1.81 pour chacune des 3,926,824 actions "A" et "B" en cours en 1961, comparativement à $1.79 pour chacune des 3,925,004 actions en cours en 1960. Les dividendes payés sur les actions "A" et "B" en 1961 s'élevaient à $3,533,444 comparativement à $3,532,022 en 1960.

Un bénéfice de capital réalisé par l'aliénation de certains actifs d'une filiale en 1961 a permis d'augmenter les bénéfices retenus dans l'entreprise par $439,853.

Pendant l'année, le fonds de roulement consolidé s'est accru par $2,885,471 s'élevant à la fin de l'exercice financier à $16,473,125.

La production

Afin d'augmenter notre volume de production et l'efficacité de nos moyens de production, nous avons dépensé pendant l'année $3,567,818 pour les usines et l'outillage. Un nouvel entrepôt à Winnipeg, Manitoba, une nouvelle salle de brassage à Régina, Saskatchewan et un nouvel édifice d'embouteillage et l'installation de nouvel outillage d'embouteillage à Prince Albert, Saskatchewan: telles furent les réalisations principales.

Les impôts

Nous croyons nécessaire de faire état de nouveau du très lourd fardeau d'impôts que notre compagnie continue à payer. Au total, $40,690,729 ont été payés en taxes d'accise et de ventes en 1961, et ceci en plus des $7,475,000 payés en impôts sur le revenu. Les coûts combinés des taxes représentent 45.2 cents de chaque dollar de vente.

A ce sujet, nous devons vous signaler qu'au cours de l'année, la taxe sur le gallonnage a été augmentée de 1½¢ le gallon dans la province de Québec et que la taxe de vente de 3%

Aux actionnaires:

IL nous fait plaisir de vous soumettre le 175e Rapport Annuel de votre compagnie. Bien qu'en regard de l'an dernier, les ventes et les bénéfices n'y accusent qu'une hausse modeste, ces deux postes n'en sont pas moins au niveau le plus élevé de l'histoire de votre compagnie, ce qui est tout à fait approprié à la célébration du 175e anniversaire de l'entreprise de votre compagnie.

Le marché

Les ventes de l'industrie de la bière au Canada, malgré une hausse de 1.6% en 1961, n'ont pas tenu le pas avec l'augmentation de la population et les tendances des années précédentes. Nous croyons que cet état de choses est attribuable au chômage qui s'est maintenu à un niveau élevé pendant l'année et au temps frais des mois de juin et juillet dans l'est du Canada.

Pendant la même période, les ventes de votre compagnie ont augmenté de 2.5% reflétant à la fois l'expansion de l'industrie et un accroissement continu de la part de votre compagnie dans le marché. Cette part représente maintenant 26.4% de toutes les bières vendues au Canada.

Nos deux marques nationales — "Molson's Export Ale" et "Molson's Canadian Lager Beer" constituent toujours des éléments importants dans le succès de nos opérations. Une autre initiative vers une distribution nationale fut l'apparition de "Molson's Canadian Lager Beer" dans la province du Manitoba en juin dernier et, là comme ailleurs, l'accueil des consommateurs a été très satisfaisant. Notre bière "Export" est toujours en tête des bières canadiennes, du point de vue du volume des ventes, et ce par une marge considérable.

A partir du mois de mai, votre compagnie, de concert avec les autres brasseurs canadiens, a pris part à l'introduction d'une bouteille compacte et rachetable, sur une base expérimentale dans des marchés sélectionnés dans l'Ontario et le Québec. Bien que de même capacité, la bouteille compacte est plus courte et plus légère que la bouteille de 12 onces présentement utilisée et de ce fait plus facile à entreposer et à transporter. De couleur ambrée, elle protège mieux le produit contre les effets nocifs de la lumière. La réaction des consommateurs ayant été très favorable, on a décidé de remplacer toutes les bouteilles de 12 onces présentement en usage dans l'industrie par un contenant nouveau et compact. Cette conversion s'effectuera graduellement; le premier changement important ayant lieu le printemps prochain dans l'Ontario, le Québec, les provinces maritimes et Terre-Neuve.

Ce projet en est un d'envergure pour les brasseurs canadiens car il comporte l'achat initial de plus de vingt-sept millions de bouteilles aussi bien que d'une très grande quantité d'autres matériaux servant à l'empaquetage. Tous ces achats seront faits au Canada, ce qui augmentera sensiblement les affaires de l'embauchage chez un bon nombre de compagnies canadiennes pendant un an ou davantage. En retour, les brasseurs récupéreront leurs mises de fonds très

Faits saillants financiers

Pour les années terminées le 30 septembre

	1961	1960	1959
Ventes	$106,272,065	$103,498,069	$90,998,271
Taxes—taxes d'accise et de vente	40,690,729	39,654,456	35,234,415
—impôts sur le revenu	7,475,000	7,340,000	6,275,000
Amortissement des immobilisations	3,010,736	2,777,938	2,278,427
Bénéfice net	7,614,855	7,511,009	6,673,464
Bénéfice net, par action classe "A" et "B"	1.81	1.79	1.61
Dividendes payés, par action classe "A" et "B"	.90	.90	.90
Dépense en capital	3,567,818	4,015,346	4,770,563
Fonds de roulement au 30 septembre	16,473,125	13,587,654	11,742,726
Nombre d'actionnaires—Classe "A" et/ou "B"	7,532	7,453	7,216
Nombre d'employés	2,414	2,479	2,387

Officiers

T. H. P. MOLSON *Président du Conseil*

L'HON. H. DEM. MOLSON *Président*

D. M. CHENOWETH *Vice-président exécutif*

J. M. MCGILLIS *Vice-président et trésorier*

MORGAN MCCAMMON *Secrétaire*

H. G. TAIT *Contrôleur*

J. K. REID *Trésorier adjoint*

DIVISION DU QUÉBEC
LA BRASSERIE MOLSON LIMITÉE

J. P. G. KEMP *Vice-président et gérant général*

J. D. MOLSON *Gérant général adjoint*

DIVISION DE L'ONTARIO
MOLSON'S BREWERY (ONTARIO) LIMITED

P. T. MOLSON *Vice-président et gérant général*

G. H. CRAIG *Vice-président et secrétaire*

DIVISION DE L'OUEST
SICKS' BREWERIES LIMITED

N. A. MACPHEE *Président*

J. T. BLACK *Vice-président et gérant général*

LA BRASSERIE MOLSON LIMITÉE

1555 EST, RUE NOTRE-DAME
MONTRÉAL, CANADA

Conseil d'Administration

J. H. MOLSON
T. H. P. MOLSON
L'HON. H. DEM. MOLSON
F. S. MOLSON
E. GENEST
P. BIENVENU
J. M. MCGILLIS
D. M. CHENOWETH
E. G. SICK
R. H. B. KER
N. A. MACPHEE

BRASSERIES

DIVISION DU QUÉBEC	MONTRÉAL
DIVISION DE L'ONTARIO	TORONTO
DIVISION DE L'OUEST	WINNIPEG, RÉGINA, PRINCE ALBERT, LETHBRIDGE, EDMONTON ET VANCOUVER

Banquiers	BANQUE DE MONTRÉAL
Vérificateurs	MCDONALD, CURRIE & CO.
Agent de Transfert	THE ROYAL TRUST COMPANY
Registrateur	NATIONAL TRUST COMPANY LIMITED

LA BRASSERIE MOLSON LIMITÉE

175ième

RAPPORT ANNUEL

pour l'année terminée
le 30 septembre 1961

Présenté aux actionnaires lors de leur

ASSEMBLÉE ANNUELLE, LE 4 JANVIER 1962



Rapport Annuel 1961